

Message Text

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PAGE 01 STATE 259333

62

ORIGIN OPIC-06

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FM SECSTATE WASHDC

TO AMEMBASSY SANTIAGO IMMEDIATE

UNCLAS STATE 259333

E.O. 11652: NA

TAGS: E/IND:CI

SUBJ: OPIC PRESS RELEASE

1. OPIC PROPOSES PRESS RELEASE SCHEDULED FOR DISTRIBUTION ON
MONDAY NOV 25 WHICH CONTAINS THE FOL PARAS WITH REF TO
THE ITT AND EXOTICA MATTERS:

QTE. AT THE CLOSE OF THE FISCAL YEAR, TWO DENIED CLAIMS
INVOLVING INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION (ITT)
AND THE ANACONDA COMPANY, WERE STILL IN DISPUTE. ON NOV 4,
A SPECIAL ARBITRATION PANEL ANNOUNCED A DECISION OBLIGATING OPIC TO
PAY AN UNDERTERMINED AMOUNT TO ITT ON ITS DOL 95 MILLION CLAIM
FILED IN CONNECTION WITH THE EXPROPRIATION OF THE CHILE TELEPHONE
COMPANY. ITT IS PRESENTLY ENGAGED IN INFORMAL DISCUSSIONS WITH
THE GOVT OF CHILE REGARDING ITT'S INVESTMENT IN THE CHILE TELEPHONE
COMPANY WHICH WAS INTERVENED IN 1971. OPIC AND ITT HAVE REACHED
A TENTATIVE AGREEMENT TO SETTLE THE OUTSTANDING ISSUES BETWEEN
THEM, CONTINGENT UPON THE SUCCESSFUL OUTCOME OF ITT'S DISCUSSIONS
WITH THE CHILEAN GOVT.

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PAGE 02 STATE 259333

ANACONDA ANNOUNCED THAT IT HAD REACHED AN AGREEMENT

WITH THE GOVT OF CHILE PROVIDING FOR COMPENSATION TO BE PAID
ON ACCOUNT OF THE CHUQUICAMATA AND EL SALVADOR MINING PROPERTIES,
WHICH ARE ALSO THE SUBJ OF THE COMPANY'S DISPUTE WITH OPIC.
ANACONDA HAS ANNOUNCED ITS INTENTION TO CONTINUE THE ARBITRATION
OF ITS CLAIM AGAINST OPIC AND, SHOULD THE COMPANY RECOVER,
OPIC WILL SUCCEED TO A PERCENTAGE OF THE RIGHTS IN THE TWO MINES
TO THE EXTENT OF THE CLAIM PAID.

IN SEPT 1972 OPIC PAID ANACONDA DOL11.9 MILLION FOR THE
LOSS OF ITS EQUITY INVESTMENT IN THE EXOTICA COPPER MINE, WHICH
WAS NATIONALIZED IN 1971. OPIC AND THE GOVT OF CHILE HAVE
NOW REACHED AN AGREEMENT SETTLING ALL MATTERS ARISING OUT OF
OPIC'S CLAIMS PAYMENT TO ANACONDA WITH RESPECT TO THE
EXPROPRIATION OF EXOTICA. THE AGREEMENT PROVIDES FOR A PAYMENTTO OPICOF

APPROX DOL 13.9 MILLION, PLUS INTEREST, WHICH WILL BE PAID OVER
A FIVE-YEAR PERIOD ENDING IN DEC 1979. UNQTE

REQUEST EMBASSY COMMENTS BY OPENING BUSINESS MONDAY
NOV 25. INGERSOLL

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